



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

August 29, 2008

Transmitted electronically.

Sue Czeropski, Mgr. Training & Development
Hospira, Inc.
755 Jarvis Drive
Morgan Hill, CA 95037

Dear Ms. Czeropski:

RE: FINAL MONITORING VISIT REPORT for Hospira, Inc. – ET07-0118

Date of the Visit:	7/15/08
Beginning/Ending Time:	10:30 a.m. – 01:00 p.m.
Date of Previous Visit:	9/5/07
Visit Location:	Morgan Hill
Persons in attendance:	Yourself; Bernice Braughton, Hospira HR Assistant; Lisa Douglas, consultant; Diane Woodside, ETP Analyst
Action Required:	NO

CONTRACT INFORMATION:

Term of Agreement:	08/08/06 – 08/07/08	Agreement Amount:	\$685,440
Training Start Date:	08/08/06	No. to Retain:	595
Date Training must be Completed:	05/07/08	Range of Hours Per Trainee:	24 - 200
Type of Trainee:	Retrainee	Weighted Ave. Hours Per Trainee:	64

FINAL REPORT SUMMARY:

HISTORY OF AGREEMENT CHANGES: There were no amendments, modifications, or revisions to this Agreement. One modification request was received late in the Agreement term; however, the ETP analyst was unable to prepare the modification prior to the expiration of the Agreement. Thus, the following language will be applied to this Agreement per this report: Hospira will be able to receive reimbursement for those trainees employed by a temporary agency during training and hired on a permanent full-time basis before starting retention.

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Hospira has retained a total of 444 trainees who completed training for an expected earnings of \$535,824 (78 percent of the total Agreement amount). Final earnings will be based on approved retentions by the Panel's fiscal unit.

PROJECT STATUS:

Eligible Trainees Enrolled:	649	Number of Trainees who completed retention	444
Dropped Following Enrollment:	205		
Number of Trainees Who Completed Training:	504		

FINAL VISIT QUESTIONS (Responses received via email from you):

- What barriers, if any, did your company experience in implementing your ETP project?

For the most part, there were very few barriers. Everything went pretty smoothly. If I had to pick something, helping the plant understand the importance of using and filling in the correct information on the sign in sheets.

- What problems, if any, did your company experience with ETP record keeping?

The individuals completing the training attendance sheets struggled to understand the different tiers associated with the categories.

- What assistance could ETP have provided that would improve the process for future Contractors?

We need the ability to drop LARGE batches of trainees on an upload process instead of picking from a list of trainees.

We also need the ability to employee ID# for invoice/progress and final payments. The security risk of constantly sending social security numbers is too great. Once the sending social security numbers is attached to a trainee's ID# at enrollment, the SS# should not be needed again and can be deleted from systems at risk.

- How did your company benefit from the ETP training?

The manufacturing environment in which we work places great value on efficiency and productivity. Training time negatively impacts these metrics. ETP funding made it easier and more practical for the manufacturing team members to attend training classes. As team skills improved, the supervisors could see just a little clearer how training can impact productivity in a positive way. This serves to help build an environment that encourages learning. ETP training allowed us to continue to provide learning opportunities for all employees to enhance their work skills.

ATTENDANCE ROSTERS:

The primary purpose of this visit was to review a significant sample of original classroom rosters for those trainees for whom the company expects to earn reimbursement. The rosters reviewed meet ETP requirements except for one hour of manufacturing skills to be deleted for trainee T. Canup on 9/11/07 and a duplicate entry of one hour of manufacturing skills for five trainees on 9/28/07. Rosters 2465, 2575, 2646, 1709, and 2685 had trainer/trainee ratios ranging from 1:21 to 1:26. However, it appears that the overall ratio for all class/lab sessions averages at least the standard ratio.

Please note that the finding that the ETP documentation is in order is based only on the training records reviewed during this visit and represents only a limited sample of the training records completed to date. It is Hospira's responsibility to ensure that all training records are in compliance with Panel requirements for auditing purposes.

Subcontractor Information Has Been Entered Online:

Information on 14 vendors has been entered into the ETP on-line system.

INFORMATION ON ETP AUDIT PROCEDURES:

ETP conducts audits on completed projects on a sample basis. Thus, Hospira may or may not be audited. Should it be chosen for an audit, Hospira, Inc. will be notified in writing and informed if the audit will be conducted either at your site (field audit) or by telephone if selected for a desk audit (or "review"). These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding the information in this letter, please contact Diane Woodside, at 650-655-6935 or at dwoodside@etp.ca.gov, within ten (10) working days from the receipt date of this letter.

Sincerely,

A handwritten signature in black ink that reads "Creighton Chan". The signature is fluid and cursive, with the first name "Creighton" being larger and more prominent than the last name "Chan".

Creighton Chan, Manager
San Francisco Bay Area Regional Office

A handwritten signature in black ink that reads "Diane Woodside". The signature is cursive, with the first name "Diane" being larger and more prominent than the last name "Woodside".

Diane Woodside, Account Analyst
San Francisco Bay Area Regional Office

cc: Lisa Douglas, CTA
Kulbir Mayall, ETP Fiscal Unit
Chuck Rufo, ETP Audit Unit
Master File
Project File

Date report mailed to Contractor _____